
A BILL FOR AN ACT

RELATING TO HEALTH INSURANCE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the Patient
2 Protection and Affordable Care Act of 2010 (Affordable Care Act)
3 has resulted in an estimated 20,000,000 Americans gaining health
4 insurance coverage. The provisions under the Affordable Care
5 Act that afforded coverage to the uninsured include the medicaid
6 expansion, health insurance marketplace coverage, and changes in
7 private insurance that permit young adults to remain on their
8 parent's health insurance plans and require health insurance
9 plans to cover people with preexisting health conditions.
10 According to a report from the United States Department of
11 Health and Human Services, 6,100,000 uninsured young adults ages
12 nineteen to twenty-five have gained health insurance coverage
13 thanks to the Affordable Care Act. This is especially important
14 as young adults were particularly likely to be uninsured before
15 the law went into effect.

16 The federal Department of Health and Human Services
17 recently reported that since the enactment of the Affordable
18 Care Act, 54,000 residents of Hawaii have gained health



1 insurance coverage. In addition to residents who would
2 otherwise be uninsured, hundreds of thousands of Hawaii
3 residents with employer, medicaid, individual market, or
4 medicare coverage have also benefited from new protections under
5 the Affordable Care Act. Even with the robust coverage of
6 Hawaii's Prepaid Health Care Act, the benefits of the Affordable
7 Care Act in Hawaii have been widespread. The Act expanded
8 medicaid eligibility and strengthened the program for those
9 already eligible. The State has saved millions in uncompensated
10 care costs and has been able to improve behavioral health
11 outcomes for various beneficiaries. For Hawaii residents,
12 individual market coverage is now dramatically better than
13 before the enactment of the Affordable Care Act.

14 Unfortunately, the future of the Affordable Care Act is now
15 uncertain. The new Presidential Administration campaigned on
16 the promise to repeal the Affordable Care Act. Republicans in
17 Congress have also backed the new President's promise to repeal
18 and replace the Affordable Care Act. On January 12, 2017,
19 Senate Republicans took their first major step toward repealing
20 the Affordable Care Act, when they approved a budget blueprint
21 that would allow Republicans to gut the Affordable Care Act



1 without the threat of a Democratic filibuster. On January 20,
2 2017, the President signed his first Executive Order, directing
3 federal agencies to waive enforcement of large swaths of the
4 law.

5 The repeal of the Affordable Care Act will have widespread
6 ramifications. According to recent data from the Urban
7 Institute, 86,000 fewer people in Hawaii would have health
8 insurance in 2019 if the Affordable Care Act is repealed.
9 States are poised to lose significant federal funds if
10 marketplace subsidies and the medicaid expansion end. For
11 Hawaii, a repeal of the Affordable Care Act means the loss of
12 \$47,000,000 in federal marketplace spending in 2019 and a loss
13 of \$532,000,000 between 2019 and 2028. Hawaii would also lose
14 \$306,000,000 in federal medicaid funding in 2019 and
15 \$3,700,000,000 between 2019 and 2028.

16 The legislature further finds that repealing the Affordable
17 Care Act would destabilize the individual insurance market, due
18 to a combination of several factors, including the pending loss
19 of subsidies, elimination of the requirement to buy health
20 insurance, and elimination of the requirement that insurers sell
21 to all consumers. Such factors will likely cause individual



1 insurance prices to rise and may cause healthier individuals to
2 drop health insurance coverage.

3 The Urban Institute estimates that repealing the Affordable
4 Care Act without an adequate replacement plan that ensures
5 affordable coverage would take health insurance coverage away
6 from 29,800,000 people nationwide by 2019, more than doubling
7 the total number of uninsured to 58,700,000.

8 As of January 2017, there is not yet a firm plan or
9 agreement regarding the future of the Affordable Care Act.
10 However, the new President has demanded Congress immediately
11 repeal and replace the Act. The legislature concludes that due
12 to the uncertainty over the Affordable Care Act, it is important
13 to preserve certain important aspects of the Act for residents
14 in Hawaii.

15 Accordingly, the purpose of this Act is to ensure certain
16 benefits under the Affordable Care Act, which may not otherwise
17 be available under the State's Prepaid Health Care Act, remain
18 available under Hawaii law, including:

19 (1) Preserving the individual mandate that requires
20 taxpayers to have qualified health insurance coverage
21 throughout the year or pay a penalty;



- 1 (2) Preserving the premium tax credit for individuals and
2 families with low or moderate income;
- 3 (3) Ensuring all health insurers, mutual benefit
4 societies, and health maintenance organizations in the
5 State, including health benefits plans under chapter
6 87A, Hawaii Revised Statutes, include ten essential
7 health care benefits, plus additional contraception
8 and breastfeeding coverage benefits;
- 9 (4) Extending dependent coverage for adult children until
10 the children turn twenty-six years of age;
- 11 (5) Prohibiting health insurance entities from imposing a
12 preexisting condition exclusion;
- 13 (6) Prohibiting health insurance entities from using an
14 individual's gender to determine premiums or
15 contributions; and
- 16 (7) Prohibiting health insurance entitles from
17 discriminating with respect to participation against a
18 health care provider acting within the scope of that
19 provider's license or certification.



1 SECTION 2. Chapter 235, Hawaii Revised Statutes, is
2 amended by adding two new sections to be appropriately
3 designated and to read as follows:

4 "§235- Minimal essential coverage. (a) For each month
5 beginning after December 31, 2017, an individual shall ensure
6 that the individual, and any dependent of the individual, is
7 covered with minimum essential coverage for the month.

8 (b) If a taxpayer, or a dependent for whom the taxpayer is
9 liable under paragraph (2), fails to meet the requirement of
10 subsection (a) for one or more months, then a penalty shall be
11 imposed on the taxpayer in an amount determined pursuant to
12 subsection (c); provided that:

13 (1) Any penalty imposed by this section with respect to
14 any month shall be included with a taxpayer's return
15 under section 235-92 for the taxable year which
16 includes that month; and

17 (2) If a penalty is imposed for any month on an individual
18 and the individual:

19 (A) Is a dependent of another taxpayer for the other
20 taxpayer's taxable year, the other taxpayer shall
21 be liable for the penalty; or



1 (B) Files a joint return for the taxable year, the
2 individual and the spouse of the individual shall
3 be jointly liable for such penalty.

4 (c) The amount of the penalty imposed by this section on
5 any taxpayer for any taxable year pursuant to subsection (b)
6 shall be equal to the sum of the monthly penalty amounts
7 determined under subsection (d) for months in the taxable year
8 during which one or more such failures occurred.

9 (d) The monthly penalty amount with respect to any
10 taxpayer for any month during which any failure described
11 pursuant to subsection (b) occurred is an amount equal to one-
12 twelfth of the greater of the following amounts:

- 13 (1) A flat rate of \$695; or
14 (2) 2.5 per cent of the excess of the taxpayer's household
15 income for the taxable year over the taxpayer's
16 applicable filing threshold, as determined under this
17 chapter, for the taxable year.

18 (e) If an individual has not attained the age of eighteen
19 as of the beginning of a month, the monthly penalty amount with
20 respect to such individual shall be equal to one-half of the
21 amount described in subsection (d).



1 (f) For every calendar year beginning after December 31,
2 2018, the amount under subsection (d)(1) shall be \$695,
3 increased by an amount equal to \$695 multiplied by the cost of
4 living adjustment determined pursuant to title 26 United States
5 Code section 1(f)(3).

6 (g) For purposes of this section:

7 "Household income" means, with respect to any taxpayer for
8 any taxable year, an amount equal to the sum of the adjusted
9 gross income, as determined under this chapter, of the taxpayer
10 plus the aggregate adjusted gross income, as determined under
11 this chapter, of all individuals for whom the taxpayer is
12 allowed a deduction under section 151 (relating to allowance of
13 deduction for personal exemptions) of the Internal Revenue Code
14 of 1986, as amended, for the taxable year and who were required
15 to file a tax return under section 235-92.

16 "Minimum essential coverage" has the same meaning as in
17 section 5000A(f) of the Internal Revenue Code of 1986, as
18 amended, and title 26 Code of Federal Regulations section
19 1.5000A-2, as of January 1, 2017.

20 §235- Coverage under a qualified health plan; income tax
21 credit. (a) There shall be allowed to each qualified taxpayer



1 a qualified health plan coverage income tax credit that shall be
2 deductible from the qualified taxpayer's net income tax
3 liability, if any, imposed by this chapter for the taxable year
4 in which the credit is properly claimed.

5 (b) The qualified health plan coverage income tax credit
6 shall be equal to _____ per cent of the actual cost paid or
7 incurred by a qualified taxpayer in the taxable year to purchase
8 minimum essential coverage for the qualified taxpayer, the
9 qualified taxpayer's spouse, or any dependent of the qualified
10 taxpayer; provided that the amount of the credit shall not
11 include any amounts paid or incurred by a qualified taxpayer for
12 minimum essential coverage purchased for an individual who has
13 health coverage under a government-sponsored program or
14 employer-sponsored plan. The total amount claimed by a
15 qualified taxpayer for the qualified health plan coverage tax
16 credit shall not exceed \$ _____ in any taxable year.

17 (c) If the tax credit claimed by the qualified taxpayer
18 under this section exceeds the amount of the income tax payments
19 due from the qualified taxpayer, the excess of credit over
20 payments due shall be refunded to the qualified taxpayer;
21 provided that no refunds or payments on account of the tax



1 credit allowed by this section shall be made for amounts less
2 than \$1.

3 (d) Claims for the tax credit under this section,
4 including any amended claims, shall be filed on or before the
5 end of the twelfth month following the taxable year for which
6 the credit may be claimed. Failure to comply with this
7 subsection shall constitute a waiver of the right to claim the
8 credit.

9 (e) For purposes of this section:

10 "Family size" means the number of individuals for whom the
11 taxpayer is allowed a deduction under section 151 (relating to
12 allowance of deduction for personal exemptions) of the Internal
13 Revenue Code of 1986, as amended, for the taxable year.

14 "Household income" means, with respect to any taxpayer for
15 any taxable year, an amount equal to the sum of the adjusted
16 gross income, as determined under this chapter, of the taxpayer
17 plus the aggregate adjusted gross income, as determined under
18 this chapter, of all individuals for whom the taxpayer is
19 allowed a deduction under section 151 (relating to allowance of
20 deduction for personal exemptions) of the Internal Revenue Code



1 of 1986, as amended, for the taxable year and who were required
2 to file a tax return under section 235-92.

3 "Minimum essential coverage" means the same as in section
4 5000A(f) of the Internal Revenue Code of 1986, as amended, and
5 title 26 Code of Federal Regulations 1.5000A-2, as of January 1,
6 2017.

7 "Qualified taxpayer" means an individual:

- 8 (1) Who files an individual income tax return for the
9 taxable year;
- 10 (2) Who is not claimed or is not otherwise eligible to be
11 claimed as a dependent by another taxpayer for federal
12 or Hawaii state individual income tax purposes;
- 13 (3) Who has been physically present in the State for more
14 than nine months during the taxable year;
- 15 (4) Whose household income for the taxable year does not
16 exceed _____ per cent of the federal poverty
17 guideline for Hawaii, as most recently published by
18 the United States Department of Health and Human
19 Services for the taxpayer's family size; and
- 20 (5) Who, if married at the close of the taxable year,
21 files a joint return for the taxable year; provided



1 that this paragraph shall not apply to a married
 2 taxpayer who is unable to file a joint return because
 3 the taxpayer is a victim of domestic abuse or spousal
 4 abandonment and is living apart from the taxpayer's
 5 spouse at the time the taxpayer files the return."

6 SECTION 3. Chapter 431, Hawaii Revised Statutes, is
 7 amended by adding five new sections to article 10A to be
 8 appropriately designated and to read as follows:

9 "§431:10A- Essential health care benefits. (a) Every
 10 policy of accident and health or sickness insurance issued or
 11 renewed in this State shall include at least the following
 12 essential health care benefits:

- 13 (1) Ambulatory patient services;
- 14 (2) Emergency services;
- 15 (3) Hospitalization benefits;
- 16 (4) Pregnancy, maternity, and newborn care;
- 17 (5) Mental health and substance use disorder services,
 18 including behavioral health treatment, mental and
 19 behavioral health inpatient services, and substance
 20 use disorder treatment;
- 21 (6) Prescription drug coverage;



- 1 (7) Rehabilitative and habilitative services and devices;
- 2 (8) Laboratory services;
- 3 (9) Preventive and wellness services and chronic disease
- 4 management; and
- 5 (10) Pediatric services, including oral and vision care.

6 (b) Policies of accident and health or sickness insurance
7 delivered or issued for delivery in this State shall also
8 include the following additional benefits:

- 9 (1) Contraceptive coverage, including:
- 10 (A) All federal Food and Drug Administration-approved
- 11 contraceptive methods, sterilization procedures,
- 12 and patient education and counseling, as
- 13 prescribed by a health care provider, for all
- 14 women with reproductive capacity; provided that a
- 15 policy or health insurer shall accommodate any
- 16 individual for whom a particular generic or brand
- 17 name drug would be medically inappropriate, as
- 18 determined by the individual's health care
- 19 provider, by establishing a mechanism for waiving
- 20 otherwise applicable cost-sharing requirements



1 for the brand or non-preferred brand version of
2 the drug; and
3 (B) Coverage for vasectomy and other federal Food and
4 Drug Administration-approved contraceptive
5 methods for men; and
6 (2) Breastfeeding coverage, including:
7 (A) Breastfeeding support;
8 (B) Breastfeeding counseling; and
9 (C) Equipment, including the coverage of a manual or
10 electric breast pump and associated equipment as
11 prescribed by an individual's health care
12 provider,
13 for the duration of breastfeeding;
14 provided that a health insurer shall not impose any cost-sharing
15 requirements, including copayments, coinsurance, or deductibles,
16 on a policyholder or individual with respect to the benefits
17 covered under this subsection.
18 (c) This section shall not apply to policies that provide
19 coverage for specified diseases or other limited benefit
20 coverage, as provided pursuant to section 431:10A-102.5.



1 §431:10A- Extension of dependent coverage. A group
2 accident and health or sickness insurance policy and a health
3 insurer offering group or individual accident and health or
4 sickness insurance coverage that provides dependent coverage of
5 children shall continue to make such coverage available for an
6 adult child until the child turns twenty-six years of age.
7 Nothing in this section shall require a policy or health insurer
8 to make coverage available for a child of a child receiving
9 dependent coverage.

10 §431:10A- Prohibition of preexisting condition
11 exclusions. (a) An accident and health or sickness insurance
12 policy issued or renewed in this State shall not impose any
13 preexisting condition exclusion.

14 (b) For purposes of this section, a "preexisting condition
15 exclusion" means a limitation or exclusion of benefits
16 (including a denial of coverage) based on the fact that the
17 condition was present before the effective date of coverage (or
18 if coverage is denied, the date of the denial) under a group or
19 individual accident and health or sickness insurance policy,
20 whether or not any medical advice, diagnosis, care, or treatment



1 was recommended or received before that day and includes any
2 condition.

3 The term "preexisting condition exclusion" includes any
4 limitation or exclusion of benefits (including a denial of
5 coverage) applicable to an individual as a result of information
6 relating to an individual's health status before the
7 individual's effective date of coverage (or if coverage is
8 denied, the date of the denial) under a group or individual
9 accident and health or sickness insurance policy, such as a
10 condition identified as a result of a pre-enrollment
11 questionnaire or physical examination given to the individual,
12 or review of medical records relating to the pre-enrollment
13 period.

14 §431:10A- Prohibited discrimination in premiums or
15 contributions. A group accident and health or sickness
16 insurance policy and a health insurer offering group or
17 individual accident and health or sickness insurance coverage
18 issued or renewed in this State shall not require an individual,
19 as a condition of enrollment or continued enrollment under the
20 policy, to pay a premium or contribution based on the
21 individual's gender that is greater than the premium or



1 contribution for a similarly situated individual of the opposite
2 gender who is covered under the same policy.

3 §431:10A- Nondiscrimination in health care. (a) A
4 group accident and health or sickness insurance policy and a
5 health insurer offering group or individual accident and health
6 or sickness insurance coverage issued or renewed in this State
7 shall not discriminate with respect to participation under the
8 plan or coverage against any health care provider who is acting
9 within the scope of that provider's license or certification
10 under applicable state law.

11 (b) This section shall not require that a group accident
12 and health or sickness insurance policy or a health insurer
13 offering group or individual accident and health or sickness
14 insurance coverage contract with any health care provider
15 willing to abide by the terms and conditions established by the
16 policy or health insurer.

17 (c) Nothing in this section shall be construed as
18 preventing a group accident and health or sickness insurance
19 policy or a health insurer offering group or individual accident
20 and health or sickness insurance from establishing varying
21 reimbursement rates based on quality or performance measures."



1 SECTION 4. Chapter 432, Hawaii Revised Statutes, is
2 amended by adding five new sections to article 1 to be
3 appropriately designated and to read as follows:

4 "§432:1- Essential health care benefits. (a) Every
5 hospital or medical service plan contract issued or renewed in
6 this State shall include at least the following essential health
7 care benefits:

- 8 (1) Ambulatory patient services;
- 9 (2) Emergency services;
- 10 (3) Hospitalization benefits;
- 11 (4) Pregnancy, maternity, and newborn care;
- 12 (5) Mental health and substance use disorder services,
13 including behavioral health treatment, mental and
14 behavioral health inpatient services, and substance
15 use disorder treatment;
- 16 (6) Prescription drug coverage;
- 17 (7) Rehabilitative and habilitative services and devices;
- 18 (8) Laboratory services;
- 19 (9) Preventive and wellness services and chronic disease
20 management; and
- 21 (10) Pediatric services, including oral and vision care.



1 (b) Hospital or medical service plan contracts delivered
2 or issued for delivery in this State shall also include the
3 following additional benefits:

4 (1) Contraceptive coverage, including:

5 (A) All federal Food and Drug Administration-approved
6 contraceptive methods, sterilization procedures,
7 and patient education and counseling, as
8 prescribed by a health care provider, for all
9 women with reproductive capacity; provided that a
10 plan contract or mutual benefit society shall
11 accommodate any individual for whom a particular
12 generic or brand name drug would be medically
13 inappropriate, as determined by the individual's
14 health care provider, by establishing a mechanism
15 for waiving otherwise applicable cost-sharing
16 requirements for the brand or non-preferred brand
17 version of the drug; and

18 (B) Coverage for vasectomy and other federal Food and
19 Drug Administration-approved contraceptive
20 methods for men; and

21 (2) Breastfeeding coverage, including:



- 1 (A) Breastfeeding support;
2 (B) Breastfeeding counseling; and
3 (C) Equipment, including the coverage of a manual or
4 electric breast pump and associated equipment as
5 prescribed by an individual's health care
6 provider,

7 for the duration of breastfeeding;
8 provided that a mutual benefit society shall not impose any
9 cost-sharing requirements, including copayments, coinsurance, or
10 deductibles, on a member or subscriber with respect to the
11 benefits covered under this subsection.

12 (c) This section shall not apply to policies that provide
13 coverage for specified diseases or other limited benefit
14 coverage, as provided pursuant to section 431:10A-102.5.

15 §432:1- Extension of dependent coverage. A group
16 hospital or medical service plan contract and a mutual benefit
17 society offering group or individual hospital and medical
18 service plan contracts that provides dependent coverage of
19 children shall continue to make such coverage available for an
20 adult child until the child turns twenty-six years of age.
21 Nothing in this section shall require a plan contract to make



1 coverage available for a child of a child receiving dependent
2 coverage.

3 §432:1- Prohibition of preexisting condition exclusions.

4 (a) A hospital or medical service plan contract issued or
5 renewed in this State shall not impose any preexisting condition
6 exclusion.

7 (b) For purposes of this section, a "preexisting condition
8 exclusion" means a limitation or exclusion of benefits
9 (including a denial of coverage) based on the fact that the
10 condition was present before the effective date of coverage (or
11 if coverage is denied, the date of the denial) under a group or
12 individual hospital and medical service plan contract, whether
13 or not any medical advice, diagnosis, care, or treatment was
14 recommended or received before that day and includes any
15 condition.

16 The term "preexisting condition exclusion" includes any
17 limitation or exclusion of benefits (including a denial of
18 coverage) applicable to an individual as a result of information
19 relating to an individual's health status before the
20 individual's effective date of coverage (or if coverage is
21 denied, the date of the denial) under a group or individual



1 hospital and medical service plan contract, such as a condition
2 identified as a result of a pre-enrollment questionnaire or
3 physical examination given to the individual, or review of
4 medical records relating to the pre-enrollment period.

5 §432:1- Prohibited discrimination in premiums or
6 contributions. A group hospital or medical service plan
7 contract and a mutual benefit society offering group or
8 individual hospital and medical service plan contracts issued or
9 renewed in this State shall not require an individual, as a
10 condition of enrollment or continued enrollment under the plan
11 contract, to pay a premium or contribution based on the
12 individual's gender that is greater than the premium or
13 contribution for a similarly situated individual of the opposite
14 gender who is covered under the same plan contract.

15 §432:1- Nondiscrimination in health care. (a) A group
16 hospital or medical service plan contract and a mutual benefit
17 society offering group or individual hospital and medical
18 service plan contracts issued or renewed in this State shall not
19 discriminate with respect to participation under the plan
20 contract against any health care provider who is acting within



1 the scope of that provider's license or certification under
2 applicable state law.

3 (b) This section shall not require that a group hospital
4 or medical service plan contract or a mutual benefit society
5 offering group or individual hospital and medical service plan
6 contracts contract with any health care provider willing to
7 abide by the terms and conditions established by the plan
8 contract or mutual benefit society.

9 (c) Nothing in this section shall be construed as
10 preventing a group hospital or medical service plan contract or
11 a mutual benefit society offering group or individual hospital
12 and medical service plan contracts from establishing varying
13 reimbursement rates based on quality or performance measures."

14 SECTION 5. Chapter 432D, Hawaii Revised Statutes, is
15 amended by adding five new sections to be appropriately
16 designated and to read as follows:

17 "§432D- Essential health care benefits. (a) Every
18 health maintenance organization policy, contract, plan, or
19 agreement issued or renewed in this State shall include at least
20 the following essential health care benefits:

21 (1) Ambulatory patient services;



- 1 (2) Emergency services;
- 2 (3) Hospitalization benefits;
- 3 (4) Pregnancy, maternity, and newborn care;
- 4 (5) Mental health and substance use disorder services,
- 5 including behavioral health treatment, mental and
- 6 behavioral health inpatient services, and substance
- 7 use disorder treatment;
- 8 (6) Prescription drug coverage;
- 9 (7) Rehabilitative and habilitative services and devices;
- 10 (8) Laboratory services;
- 11 (9) Preventive and wellness services and chronic disease
- 12 management; and
- 13 (10) Pediatric services, including oral and vision care.
- 14 (b) Every health maintenance organization policy,
- 15 contract, plan, or agreement delivered or issued for delivery in
- 16 this State shall also include the following additional benefits:
- 17 (1) Contraceptive coverage, including:
- 18 (A) All federal Food and Drug Administration-approved
- 19 contraceptive methods, sterilization procedures,
- 20 and patient education and counseling, as
- 21 prescribed by a health care provider, for all



1 women with reproductive capacity; provided that a
2 health maintenance organization shall accommodate
3 any individual for whom a particular generic or
4 brand name drug would be medically inappropriate,
5 as determined by the individual's health care
6 provider, by establishing a mechanism for waiving
7 otherwise applicable cost-sharing requirements
8 for the brand or non-preferred brand version of
9 the drug; and

10 (B) Coverage for vasectomy and other federal Food and
11 Drug Administration-approved contraceptive
12 methods for men; and

13 (2) Breastfeeding coverage, including:

14 (A) Breastfeeding support;

15 (B) Breastfeeding counseling; and

16 (C) Equipment, including the coverage of a manual or
17 electric breast pump and associated equipment as
18 prescribed by an individual's health care
19 provider,

20 for the duration of breastfeeding;



1 provided that a health maintenance organization shall not impose
2 any cost-sharing requirements, including copayments,
3 coinsurance, or deductibles, on an enrollee or subscriber with
4 respect to the benefits covered under this subsection.

5 (c) This section shall not apply to policies that provide
6 coverage for specified diseases or other limited benefit
7 coverage, as provided pursuant to section 431:10A-102.5.

8 §432D- Extension of dependent coverage. A group
9 contract and a health maintenance organization offering group or
10 individual policies, contracts, plans, or agreements that
11 provides dependent coverage of children shall continue to make
12 such coverage available for an adult child until the child turns
13 twenty-six years of age. Nothing in this section shall require
14 a policy, contract, plan, or agreement to make coverage
15 available for a child of a child receiving dependent coverage.

16 §432D- Prohibition of preexisting condition exclusions.

17 (a) A health maintenance organization policy, contract, plan,
18 or agreement issued or renewed in this State shall not impose
19 any preexisting condition exclusion.

20 (b) For purposes of this section, a "preexisting condition
21 exclusion" means a limitation or exclusion of benefits



1 (including a denial of coverage) based on the fact that the
2 condition was present before the effective date of coverage (or
3 if coverage is denied, the date of the denial) under a group or
4 individual health maintenance organization policy, contract,
5 plan, or agreement, whether or not any medical advice,
6 diagnosis, care, or treatment was recommended or received before
7 that day and includes any condition.

8 The term "preexisting condition exclusion" includes any
9 limitation or exclusion of benefits (including a denial of
10 coverage) applicable to an individual as a result of information
11 relating to an individual's health status before the
12 individual's effective date of coverage (or if coverage is
13 denied, the date of the denial) under a group or individual
14 health maintenance organization policy, contract, plan, or
15 agreement, such as a condition identified as a result of a pre-
16 enrollment questionnaire or physical examination given to the
17 individual, or review of medical records relating to the pre-
18 enrollment period.

19 §432D- Prohibited discrimination in premiums or
20 contributions. A group contract and a health maintenance
21 organization offering group or individual policies, contracts,



1 plans, or agreements issued or renewed in this State shall not
2 require an individual, as a condition of enrollment or continued
3 enrollment under a policy, contract, plan, or agreement, to pay
4 a premium or contribution based on the individual's gender that
5 is greater than the premium or contribution for a similarly
6 situated individual of the opposite gender who is covered under
7 the same policy, contract, plan, or agreement.

8 §432D- Nondiscrimination in health care. (a) A group
9 contract and a health maintenance organization offering group or
10 individual policies, contracts, plans, or agreements issued or
11 renewed in this State shall not discriminate with respect to
12 participation under the policy, contract, plan, or agreement
13 against any health care provider who is acting within the scope
14 of that provider's license or certification under applicable
15 State law.

16 (b) This section shall not require that a group contract
17 or a health maintenance organization offering group or
18 individual policies, contracts, plans, or agreements contract
19 with any health care provider willing to abide by the terms and
20 conditions established by the group contract or health
21 maintenance organization.



1 (c) Nothing in this section shall be construed as
2 preventing a group contract or a health maintenance organization
3 offering group or individual policies, contracts, plans, or
4 agreements from establishing varying reimbursement rates based
5 on quality or performance measures."

6 SECTION 6. Notwithstanding any other law to the contrary,
7 the requirements for essential health care benefits, extension
8 of dependent coverage, and prohibition of preexisting condition
9 exclusions required under sections 3, 4, and 5 of this Act shall
10 apply to all health benefits plans under chapter 87A, Hawaii
11 Revised Statutes, issued, renewed, modified, altered, or amended
12 on or after the effective date of this Act.

13 SECTION 7. New statutory material is underscored.

14 SECTION 8. This Act shall take effect on July 1, 2050;
15 provided that the new section in chapter 235, Hawaii Revised
16 Statutes, on minimal essential coverage, added by section 2 of
17 this Act shall be repealed on June 30, 2021.

18



Report Title:

Health Insurance; Individual Mandate; Tax Credit; Essential Benefits; Covered Services; Extended Coverage; Preexisting Conditions; Nondiscrimination

Description:

Ensures certain benefits under the federal Affordable Care Act are preserved under Hawaii law, including: preserving the individual health insurance mandate for taxpayers; preserving the premium tax credit for individuals and families with low or moderate income; requiring all health insurance entities, including health benefits plans under chapter 87A, HRS, to include ten essential health care benefits, plus additional contraception and breastfeeding coverage benefits; extending dependent coverage for adult children until the children turn twenty-six years of age; prohibiting health insurance entities from imposing a preexisting condition exclusion; prohibiting health insurance entities from using an individual's gender to determine premiums or contributions; and prohibiting health insurance entities from discriminating with respect to participation against a health care provider acting within the scope of that provider's license or certification. Effective 7/1/2050. Individual mandate requirement repeals 6/30/2021.
(SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

